

FORM 7 - Frequently Asked Questions (FAQs)

Form of Application under Section 45(3)(c) read with Rule 30 of the Income-tax Rules, 2026

| Name of form as per I.T. Rules, 1962 | Form 3CG | Name of form as per I.T. Rules, 2026 | FORM 7 |
|--|-------------------|--|-------------------------|
| Corresponding section of I.T. Act, 1961 | Section 35 | Corresponding section of I.T. Act, 2025 | Section 45(3)(c) |
| Corresponding Rule of I.T. Rules, 1962 | 6 | Corresponding Rule of I.T. Rules, 2026 | RULE 30 |

1. What is FORM 7?

FORM 7 is the prescribed application form to be furnished by a *sponsor* seeking prior approval of a scientific research programme under section 45(3)(c) of the Income-tax Act, 2025.

2. What is the objective of FORM 7 ?

FORM 7 ensures that tax deduction is available only in respect of scientifically vetted and institutionally monitored research programmes, by mandating approval before commencement of the programme.

3. Who is required to furnish FORM 7?

Any person (referred to as the *sponsor*) who proposes to incur expenditure on a scientific research programme and seeks deduction under section 45(3)(c) is required to furnish FORM 7.

4. What types of institutions can carry out the approved programme?

The scientific research programme must be carried out through:

- a National Laboratory,
- a University,
- an Indian Institute of Technology, or
- a specified person notified for this purpose.

5. Who is the prescribed authority for approval?

The prescribed authority is:

- the Head of the National Laboratory, University or Indian Institute of Technology, as applicable; or
- the Principal Scientific Adviser to the Government of India in the case of a specified person.

6. When should FORM 7 be furnished?

FORM 7 must be furnished before commencement of the scientific research programme. Approval is prospective in nature.

7. Can one FORM 7 be used for multiple programmes?

No. Separate FORM 7 must be furnished for each scientific research programme.

8. What information is required to be furnished in FORM 7?

FORM 7 requires details relating to:

- the sponsor and its business activity;
- past research expenditure and deductions, if any;
- details of the proposed scientific research programme, including objectives, duration and estimated cost; and
- particulars of the executing institution.

9. Are any research programmes excluded from approval?

Yes. Programmes relating purely to:

- market research or sales promotion,
 - routine quality control or testing,
 - commercial production, or
 - routine data collection
- are not eligible for approval.

10. What happens after FORM 7 is submitted?

The prescribed authority examines the application and grants or rejects approval by issuing an order in FN 008 within the prescribed time.

11. Does approval under FORM 7 automatically entitle the sponsor to deduction?

No. Approval of the programme is only a pre-condition. Deduction under section 45(3)(c) is subject to compliance with the Act, Rules and verification by the Income-tax Department.

12. Can the approved cost or duration of the programme be revised?

No. The approved cost and duration of the programme cannot be enhanced or extended after approval.

13. What are the post-approval compliance requirements?

Post-approval, the sponsor and executing institution are required to:

- maintain separate accounts for the programme;
- furnish progress and expenditure reports; and
- comply with reporting and completion requirements under Rule 30.

14. What are the consequences of non-compliance?

Non-compliance with conditions of approval or reporting requirements may result in withdrawal of approval and denial of deduction.